

MILPERSMAN 1741-020

GOVERNMENT LIFE INSURANCE

Responsible Office	NAVPERSCOM (PERS-13)	Phone: DSN 882-2501 COM (901) 874-2501 TOLL FREE WITHIN U.S. (800) 368-3202
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NAVPERSCOM CUSTOMER SERVICE CENTER	Phone: Toll Free	1-866-U ASK NPC
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References	(a) 38 U.S.C. §1965-§1980 (b) BUPERSINST 1001.39F (c) 10 U.S.C. §12731
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1. **Servicemembers' Group Life Insurance (SGLI)**. SGLI is a life insurance policy purchased by the Veterans' Administration from a commercial life insurance company. The Office of Servicemembers' Group Life Insurance (OSGLI) administers the SGLI Program. SGLI is available to eligible members of the United States Navy up to a maximum of \$400,000. The program is governed by reference (a). The Servicemembers' and Veterans' Group Life Insurance Handbook, available through the Veteran's Administration Web site, also discusses the program in detail.

2. **SGLI Coverage**. Eligible members as outlined below are automatically insured for \$400,000, unless otherwise reduced or declined by the member. Additional details about Government life insurance for Ready Reserve members may be found in reference (b).

- a. **Service Members on active duty in the Regular Navy.**
- b. **Ready Reserve members performing active duty (ACDU), active duty for training (ACDUTRA), or inactive duty training (IDT).**
- c. **Naval Reserve Officer Training Corps (NROTC) midshipmen**
- Fully covered while on training cruises only.
- d. **Naval Academy midshipmen** - Covered on a full-time basis.

e. **Ready Reserve members (pay or non-pay)** who are assigned to a unit in which they may be required to perform AD or ADT and will be scheduled to perform at least 12 drills annually; covered on a full-time basis. Entitlement to coverage is affected if a member becomes medically disabled or is transferred to a unit that is not scheduled to perform at least twelve drills per year.

f. **Other members of the Individual Ready Reserve (IRR)** - Covered only during the period of their ACDUTRA.

3. **Reducing or Declining Coverage.** Members may decline coverage or request reduced coverage in any increment of \$10,000 by completing SGLV 8286 Servicemembers' Group Life Insurance Election & Certificate. When a member requests reduction or cancellation, member should be counseled as per page 4 of SGLV 8286 and reminded to check his or her leave and earnings statement (LES) to verify the change in premium. If member is married, the member's spouse must be notified in writing if the member elects other than the maximum amount of coverage. Paragraph 19 contains specifics, and a sample notification letter is attached (Exhibit 1). SGLV 8286 can be accessed by using the following link:
<http://www.benefits.va.gov/INSURANCE/resources-forms.asp>.

4. **Designation of Beneficiaries**

a. Members may designate any person(s) as their beneficiary(ies). If the member is married and designates any individual other than his or her spouse, the spouse must be notified in writing (see paragraph 19 of this article). Should multiple beneficiaries be named, the member must clearly specify the amount designated for each. Member may use fractions, percentages, or monetary amounts. See reference (a), §1970 for additional details regarding beneficiaries.

b. When a member updates coverage or changes beneficiaries, the old SGLI election form must be removed from the member's service record and destroyed. Should the member request the old form, "no longer valid" must be annotated on the form prior to returning it to the member.

5. **Accelerated Benefit Option (ABO)**. If the insured member has been certified by a physician as "**terminally ill**," the member may elect under SGLI or VGLI the ABO. **The member may receive a lump sum payment of up to 50 percent of his or her SGLI or VGLI coverage.** "Terminally ill" is defined as having a medical prognosis of a life expectancy of 9 months or less. Only the insured can apply for payment under the ABO. Accepting this benefit reduces the subsequent amount awarded at death. Details for members considering this option are available in reference (a), §1980.

6. **Termination of SGLI**

a. Per reference (a), termination of SGLI occurs on:

(1) The 120th day after separation from ACDU or ACDUTRA under calls or orders that specify a period of 31 days or more, unless the member returns to an active status in the Navy Reserve and on the 120th day after the member is separated from a drilling status for members of the Selected Reserve, or nonpay members assigned to a reserve unit which performs at least 12 drills annually as defined above;

(2) The end of the 31st day of a continuous period of time when the member is:

(a) Absent without leave;

(b) Confined by civil authorities under a sentence adjudged by a civilian court; or

(c) Confined by military authorities under a sentence by court-martial involving total forfeiture of pay and allowances; or

(3) The last day of the month in which written notice to discontinue coverage is filed.

b. SGLI is forfeited when an insured member is guilty of mutiny, treason, spying, or desertion; or refuses (because of conscientious objections) to perform service in the Armed Forces of the United States, or refuses to wear the uniform of such forces.

c. No insurance must be payable for death inflicted as a lawful punishment for crime or for military or naval offense, except when inflicted by an enemy of the United States.

7. **Restoration of SGLI Coverage**

a. Service Members who decline or elect to reduce coverage, or seeking to become insured or increase their coverage, must submit a complete SGLV 8286. Members are advised this application may require review and approval at the Office of Servicemen's Group Life Insurance (OSGLI) level.

b. Coverage terms are automatically restored if benefit was terminated due to:

(1) Unauthorized absence in excess of 31 days;

(2) Confinement by civilian authorities under a sentence adjudged by a civilian court; or

(3) Military confinement involving total forfeiture of pay.

8. **Extension of SGLI Coverage for Disability.** A Service Member on ACDU or ACDUTRA orders that do not specify a period of 31 days or less, who is totally disabled for insurance purposes at the time of separation, will be provided coverage for 2 years from the date of separation or release, or to the date the insured ceases to be totally disabled (whichever is earlier), but in no event prior to 120 days after separation or release.

9. **SGLI Part-Time Coverage.** Part-time coverage is provided for reservists not scheduled to perform at least 12 drills annually, who, when authorized or required by competent authority, assume an obligation to perform less than 31 days ACDU, ACDUTRA, or inactive duty training, and for NROTC midshipmen while on training cruises.

10. **SGLI-to-VGLI Conversion.** Per reference (a), the conversion privilege is as follows:

a. Members with full-time SGLI coverage at the time of separation or release are eligible for VGLI in the same or lesser amount held at the time of separation or release, or conversion to an individual policy with a participating commercial company. A member electing to convert to VGLI has **1 year and 120 days** to apply for coverage. If the member applies within 120 days after separation or release, VGLI is issued, regardless of the member's state of health, with coverage made effective on the 121st day. If an application is **not** submitted within the 120 day period, **medical evidence of insurability is required.** In this case, VGLI will be effective the date an acceptable application and premium is received in the OSGLI. Members who are totally disabled at the time of separation may purchase VGLI while remaining totally disabled **up to 1 year following separation.** The effective date of VGLI will be at the end of the year, period following separation, or the date the disability ends, whichever is earlier. See paragraph 15 for additional information regarding VGLI; and

b. Members insured under part-time coverage, which incur a disability or aggravate a preexisting disability during a reservist active or inactive period, can convert their SGLI coverage to VGLI coverage within the 120 day period following the period during which the disability incurred. Proof of disability must be submitted together with an application and initial premium.

11. **Financial Counseling.** The Department of Veterans Affairs (DVA) offers free professional financial counseling through FinancialPoint®. Additional information is available through the DVA website at:
<http://www.benefits.va.gov/insurance/bfcs.asp>.

12. **Distribution of SGLV 8286 Copies.** Personnel support detachment (PERSUPP DET) or personnel office (PERSOFF) clerks must create three official copies prior to signature and ensure member signs each official copy. Forms altered from the original wording and format must not be accepted by OSGLI. Each of the official copies must bear an original signature of both the member and the witness. Distribution of copies of SGLV 8286 must be as follows:

a. **Original.** Forward to the supporting PERSUPP DET or PERSOFF for submission to the official military personnel file (OMPF) via the electronic submission (eSub) application on Bureau of Naval Personnel (BUPERS) Online. The PERSUPP DET or PERSOFF must maintain the copy until eSub receipt is verified with BUPERS;

b. **First Copy.** Provide to the member for personal use; and

c. **Second Copy.** Maintain the second copy with either NAVPERS 1070/602 Dependency Application/Record of Emergency Data or DD 93 Record of Emergency Data in the Sailor's command's correspondence file. NAVPERS 1070/602 is available via the Navy Standard Integrated Processing System. DD 93 is available at: <http://www.dtic.mil/whs/directives/infomgt/forms/index.htm>.

13. **SGLI Coverage for Retired Reservists**

a. A member assigned to the Retired Reserve, or eligible for assignment to the Retired Reserve, qualifies for coverage under the VGLI Program in increments of \$10,000 up to the maximum coverage of \$400,000, provided that the member:

(1) Has not received the first increment of retired pay;

(2) Has not reached his or her 61st birthday;

(3) Has completed at least 20 years of satisfactory service creditable for reserve retired pay under reference (c), subchapter III; and

(4) Submits a completed SGLV 8714 Application for Veterans' Group Life Insurance and the required premium to the following address:

<p>Office of Servicemembers' Group Life Insurance 290 W. Mt. Pleasant Avenue Livingston, NJ 07039-2747</p>

Note: SGLV 8714 is available at:
<http://www.benefits.va.gov/INSURANCE/resources-forms.asp>.

b. Application for this coverage must be made within 120 days from transfer to the Retired Reserve or release from the Selected Reserve.

c. Termination of insurance occurs upon receipt of the first increments of retired pay, or the 61st birthday, whichever occurs first.

14. **FSGLI**. Family coverage under the SGLI Program became effective 1 November 2001. Details of the program, including the procedures for filing a claim, are contained in MILPERSMAN 1741-030.

15. **VGLI**. VGLI is a 5-year renewable term policy which has no cash, loan, paid-up, or extended values. Application, designation of beneficiaries, and settlement options should be made on SGLV 8714. Refer to paragraph 10 for timing requirements regarding application for conversion from SGLI to VGLI.

a. **Eligibility**. VGLI is available to the following:

1. Service Members who are released from ACDU or ACDUTRA under calls or orders that do not specify a period of 31 days or less;

2. Members of the Ready Reserve insured under SGLI who are separated, retired, or released from assignment;

3. Individuals assigned to the IRR (must provide orders); and

4. Members with part-time SGLI who suffer an injury or disability while in the performance of their duty (to include travel to and from duty location) which renders them uninsurable at standard premium rates.

b. **Conversion**. Members may convert VGLI coverage to a participating commercial company at any time, provided VGLI premiums are paid up to the date of conversion.

c. For claim submittal and payment information, effective dates of coverage, and any additional information, refer to the Department of Veterans' Affairs Web site at:
<http://www.insurance.va.gov/sgliSite/vgli/vgliFaq.htm>.

16. **Combined SGLI and VGLI.** Any member insured under VGLI who again becomes eligible for coverage under SGLI (i.e., separated individuals who reenlist for military service) may not exceed the maximum amount of \$400,000 of combined coverage. These members may elect to be completely covered under SGLI, or (within 60 days after becoming so insured) may convert any or all of the VGLI coverage to an individual private policy. However, if the member dies within the 60 day period before converting, VGLI will be payable only in an amount which (when added to the amount of SGLI payable) must not exceed \$400,000.

17. **Service-Disabled Veterans Insurance**

a. The Service-Disabled Veterans Insurance (S-DVI) Program was established in 1951 to meet the insurance needs of certain veterans with service connected disabilities.

b. **Eligibility Conditions:**

(1) Must have been released under other than dishonorable conditions on or after April 25, 1951;

(2) Must have received a rating for service-connected disability;

(3) Must be in good health, except for any service-connected conditions; and

(4) Must apply within 2 years of being granted a service connection for a disability.

c. Complete program details and applications can be found on the Department of Veterans' Affairs Web site at:
<http://www.insurance.va.gov/gli/buying/SDVI.htm>

18. **Command Responsibility**

a. Commands must ensure members are well informed of the benefits provided for members and their families through the SGLI, FSGLI, and VGLI Programs detailed within this article. Members who reduce, increase, or decline coverage must be encouraged to check his or her LES to verify the change is reflected in collected premiums.

b. Commands receiving spousal notification letters (see paragraph 19) must:

- (1) Counsel the member;
- (2) Sign the spousal notification letter, confirm name and address of spouse, and mail letter;
- (3) Forward a copy of the letter to Navy Personnel Command, Records Management Policy Branch (PERS-313) for filing in the member's OMPF; and
- (4) Retain a copy of the letter in command files for 2 years.

19. **Spouse Notification**. As discussed in paragraphs 3 and 4, the spouse must be notified in writing if a married Sailor declines coverage, elects other than the maximum amount of coverage, or designates beneficiaries other than the spouse or a child of the member. The supporting PERSUPP DET or PERSOFF must prepare and forward the spousal notification letter to the member's commanding officer for signature. See exhibit 1.

EXHIBIT 1

SAMPLE SPOUSE NOTIFICATION LETTER

(Use proper letter format.)

DEPARTMENT OF THE NAVY
Navy Recruiting District Columbia
1835 Assembly Street
Strom Thurmond Federal Building
Columbia, SC 29201-2480

1770
Ser CO 15/
3 Jul 08

From: Commanding Officer, Navy Recruiting District Columbia,
1835 Assembly Street, Strom Thurmond Federal Building,
Columbia, SC 29201-2480

To: Mr. Oliver O'Toole
938 Tankerhurst Drive
Waco, TX 55555

Subj: SERVICEMEMBER'S GROUP LIFE INSURANCE (SGLI) CHANGE IN COVERAGE

1. Our records indicate that you are the spouse of Petty Officer Pauline Williams O'Toole. Per 38 U.S.C. Code, Chapter 19, **we are notifying you that on 1 July 2011, Petty Officer O'Toole** (declined Servicemember's Group Life Insurance (SGLI)/elected an amount of coverage less than the maximum amount offered under the Servicemember's Group Life Insurance (SGLI) Program/has designated another/additional beneficiaries under the Servicemember's Group Life Insurance (SGLI) Program).

2. By law, your spouse is entitled to make the above election. We are required by the same law to inform you of the decision, but we may not disclose any other particulars, other than those stated above. Your spouse has been made aware that this letter was generated and sent. If you have any questions regarding this letter, please call 1-800-368-3202 or write to the office below:

Navy Casualty Assistance Division (PERS-13)
5720 Integrity Drive
Millington, TN 38055-6200

C. A. CAPTAIN

Copy to:
PERS-313